

## Securities and Exchange Commission

## § 256.923

include any compensation for use of equity capital or intercompany interest on indebtedness.

### § 256.458-3 Compensation for use of capital—nonassociate companies.

This account shall include only the portion of compensation for use of equity capital and intercompany interest on indebtedness before income taxes which is properly allocable to services rendered to nonassociate persons. A statement to support the basis for the compensation and how it was calculated should be attached to a separate journal entry, ledger system, or memorandum file.

### § 256.458-4 Excess or deficiency on servicing nonassociate companies.

This account shall include the amount by which the aggregate price received for services rendered to nonassociate persons differs from the sum of the total direct and indirect costs and compensation for use of capital which are properly allocable to such services. (Accounts 458-1 through 458-3).

## 2. EXPENSE

### § 256.920 Salaries and wages.

(a) This account shall include salaries, wages, bonuses and other consideration for services, with the exception of director's fees paid directly to officers and employees of the service company.

(b) This account shall be supported by time records and appropriately referenced to detailed records subdividing salaries and wages by departments or other functional organization units. See General Instructions.

### § 256.921 Office supplies and expenses.

(a) This account shall include office supplies and expenses incurred in connection with the general administration of service company operations assignable to specific administrative or general departments and not specifically provided for in other accounts. This includes the expenses of the various administrative and general departments, the salaries and wages of which are includable in account 920.

(b) This account may be subdivided in accordance with a classification appropriate to the departmental or other functional organization of the service company.

## ITEMS

1. Automobile service, including charges through clearing account.
2. Bank messenger and service charges.
3. Books, periodicals, bulletins and subscriptions to newspapers, newsletters, tax service, etc.
4. Building service expenses for customer accounts, sales, and administrative and general purposes.
5. Communication service expenses to include telephone, telegraph, wire transfer, micro-wave, etc.
6. Cost of individual items of office equipment used by general departments which are of small value or short life.
7. Membership fees and dues in trade, technical, and professional associations paid by a utility for employees. (Company memberships are includable in account 930.2, Miscellaneous general expenses.)
8. Office supplies and expenses.
9. Payment of court costs, witness fees, and other expenses of legal department.
10. Postage, printing and stationery.
11. Meals, traveling, entertainment and incidental expenses.

(c) Records shall be so maintained to permit ready analysis by item showing the nature of the expense and identity of the person furnishing the service.

### § 256.922 Administrative expenses transferred—credit.

This account shall be credited with administrative expenses recorded in accounts 920 and 921 which are transferred to construction costs of the asset and other debit accounts.

### § 256.923 Outside services employed.

(a) This account shall include the fees and expenses of professional consultants and others for general services with the exception of fees and expenses for outside services of account 928, Regulatory commission expense, and account 930.1, General advertising expenses. Separate subaccounts shall be provided for auditing, legal, engineering, management consulting fees and, if material in amount, any other fees of professional or outside services.

(b) Records shall be so maintained to permit ready analysis showing nature